

## **Legislative Update**

The 2003 Indiana General Assembly completed its session on April 26 and 27, and generated new legislation that impacts the Department of Local Government Finance procedures and areas of responsibility. Those bills relevant to reassessment are:

***HEA 1535.*** This Act addresses the appeal process for the 2002 reassessment of real property in Lake County. The Act: (1) allows the Department to contract with Cole Layer Trumble to hold informal hearings with taxpayers and represent the Department in assessment appeal proceedings; (2) establishes informal hearing procedures; (3) provides that a taxpayer must participate in an informal hearing to be eligible to file an assessment appeal; (4) permits the Indiana Board of Tax Review to designate special masters to conduct evidentiary hearings of assessment appeals; and (5) authorizes the Indiana Board and the Department to adopt emergency rules. These provisions expire December 31, 2005.

***HEA 1219.*** This Act permits counties that are lagging in the reassessment to issue provisional property tax billings based on last year's tax liability. It is intended to provide funds to county and local taxing units in counties that have not completed the reassessment. Several counties, including Lake, Allen and Porter, are intending to use this procedure. This Bill also provides temporary borrowing provisions for school corporations.

### ***HEA 1714 & 1814***

These bills provide several technical changes to the Tax Code. HEA 1814 makes it clear how and where to appeal orders of the Department where the law is now silent. It also modifies current law to provide that its orders are not subject to the Administrative

Orders and Procedures Act and provides that budget, bonding, and equalization orders are appealed directly to Tax Court. It also clarifies the law, stating that equalization is to take place the year that the general reassessment becomes effective instead of two years before it is performed.

HEA 1814 also modifies the way that the abatement process is done so that these determinations are done at the local level, rather than at the state level. The bill also clarifies some miscellaneous budget issues, including the process for petition and remonstrance in bonding issues.

HEA 1714 mirrors some of the provisions of HEA 1814 and also contains some significant other provisions. It provides that the next general reassessment of real property is effective in 2009. In the interim period, however, it requires the Department to develop rules for annual adjustments to real property assessments by 2005.

HEA 1714 also allows a county assessor to intervene or represent the township assessor in review proceedings before the Indiana board of tax review (IBTR) if the notice of appearance is filed before the review proceeding. It permits the IBTR to make a final determination based on a stipulation, but to accord that stipulation limited weight.

HEA 1714 also provides that, if the time for the IBTR to issue a final determination expires, the petitioner may either wait for a determination or file for de novo review in the Tax Court. It also permits the IBTR to adopt rules to establish procedures for the conduct of proceedings before the IBTR. It increases the sales disclosure form filing fee to \$10 for calendar years 2004 and 2005 and specifies distribution of the revenue. It permits a political subdivision to receive an advance distribution from the property tax replacement fund.

HEA 1714 also reinstates as rules personal property assessment rules and utility rules that were incorporated by reference into statutes by HEA 1001ss and prohibits amendment or repeal of certain parts of the rules. It also directs county auditors to forward sales disclosure form data to the legislative services agency. It adjusts qualifications for certain civil taxing unit excessive levy appeals. It changes the annual deadline for county auditors to provide information to the state, and imposes a penalty for failure to provide the information by the deadline. It permits the Department to provide training through the Indiana chapter of the International Association of Assessing Officers. HEA also enacts provisions that are related to voluntary remediation tax credits.

The Budget Bill, *HEA 1001*, addresses how to establish rates for solid waste districts that cross multiple county lines, and includes language that will allow counties with local homestead credits to allocate all COIT funds available, to a maximum of a flat eight percent credit, for that purpose.

Other bills of interest are **SB 464** which requires the DLGF to adjust maximum cumulative fund rates, school capital project fund rates, and racial balance fund rates to permit the maintenance of fund levies after the application of inventory exemptions and deductions; and **HB1088** which extends the sunset date for issuance of school corporation bonds for retirement or severance liability from December 31, 2003, to December 31, 2004, and requires a school corporation to establish a separate debt service fund for repayment of the bonds. **HB 2005** eliminates most acreage limitations in the determination of land exemptions and imposes reporting and rulemaking requirements on the DLGF concerning locally approved exemption applications. For a more complete

description of 2003 legislation passed, check the website at <http://www.state.in.us/> and click on Indiana General Assembly.